

**ECONOMIC
INVESTMENT
TRUST
LIMITED**

**Forty-Sixth
ANNUAL REPORT
December 31, 1972**

ECONOMIC INVESTMENT TRUST LIMITED
Tenth Floor, 165 University Avenue, Toronto 1, Ontario, Canada

DIRECTORS AND OFFICERS

A. BRUCE MATTHEWS, C.B.E., D.S.O.	<i>Chairman of the Board</i>
LAWRENCE W. SKEY, D.F.C.	<i>Managing Director</i>
HENRY N.R. JACKMAN	<i>Director</i>
FREDERICK W.P. JONES	<i>Director</i>
JOHN A. RHIND	<i>Director</i>
A. GEORGE DRAGONE	<i>Director</i>
L. RUTH ROONEY	<i>Secretary-Treasurer</i>



HEAD OFFICE	<i>Tenth Floor, 165 University Avenue, Toronto, Ontario</i>
SHARES LISTED	<i>Toronto Stock Exchange</i>
BANKERS	<i>Canadian Imperial Bank of Commerce</i>
AUDITORS	<i>Clarkson, Gordon & Co.</i>
TRANSFER AGENT AND REGISTRAR	<i>Canada Permanent Trust Company</i>

DIRECTORS REPORT TO THE SHAREHOLDERS

NET ASSET VALUE

The net asset value of your Investment Company's common shares increased in value by 34.4% during 1972, rising from a per share value of \$21.49 on December 31, 1971 to \$28.88 on December 31, 1972. This increase is after payment of preference and common dividends. Recorded below is a comparison of the Trust's performance with that of the Toronto Stock Exchange and Dow-Jones Industrial Averages for the past six years.

Increase or (Decrease) for the Six Years 77.35%

	Economic	T.S.E.	Dow-Jones
1972	34.4%,	22.0%	14.6%
1971	15.0	4.1	6.1
1970	(7.6)	(6.3)	4.8
1969	(6.5)	(1.6)	(15.2)
1968	24.4	16.4	4.3
1967	24.9	9.9	15.1

The Trust's investment portfolio and the financial record of the Company since 1928 are set out inside the back cover of this report.

EARNINGS AND DIVIDENDS

Net earnings per common share (after payment of dividends on the preferred shares) amounted to 58 cents per share a 12% increase over the 1971 earnings of 52 cents per share. Liability to pay a capital gains tax has been provided for but is deducted only in part from the net surplus on securities sold because the tax is largely refundable to the Trust when the gains are paid out. This matter is explained more fully below.

The common dividend was maintained at 46 cents per share.

TAXES

Shareholders are referred to Note 5 to the Balance Sheet on page seven of this report in explanation of the new federal taxes imposed since the beginning of 1973. The capital gains tax liability is estimated to be \$110,000 and it can be paid in two ways.

A payment of these capital gains can be made directly to the shareholders and if this is done the recipient treats half of the amount received as income and pays tax on it at personal tax rate.

Alternatively the Trust can pay the tax and retain the balance of the capital gains. If the tax is paid by the Trust it is still largely recoverable if the capital gains are subsequently paid out to shareholders.

Since it is not clear which policy is in the best interest of the majority of shareholders your Directors have decided to pay the capital gains tax for 1972 and retain the option to distribute the gains to shareholders at a later date.

OUTLOOK FOR 1973

While the majority of economic forecasts are favorable for 1973 there are doubts raised by some

because of four important factors which should be taken into account in Canada and to a lesser degree in the United States.

These are the rate of increase in the money supply, inflation, the high unemployment situation and rising welfare costs that seem to elude firm control at all levels of government.

There are international events taking place at the present time that can produce some important changes in the economic, financial and political fields this year. We have already had far reaching currency revaluations, and these will have their effect among the trading nations and in world financial circles. In addition to the monetary readjustments there are other situations that may produce economic change — amongst these are the Southeast Asia Truce and Britain's entry into the European Common Market. With these and other factors such as the energy crisis facing us in 1973, it is not difficult to predict that it will be a year of change.

RETIREMENT SAVINGS PLANS

Since the Trust has over 95% of its investments in Canada it will continue to qualify as a vehicle for registered Retirement Savings Plans. Attention is drawn to the fact that the maximum contribution into an individual's Retirement Savings Plan has been increased to \$4,000. In the case of individuals whose employer contributes to a pension plan on his behalf, the maximum contribution into a Retirement Savings Plan has been increased to \$2,500.

Further information regarding the Trust's Retirement Savings Plans is available at the Head Office of the Company.

DIRECTORATE

We are pleased to advise shareholders, that Mr. John A. Rhind, President of the National Life Assurance Company of Canada was elected to the Board of Directors on March 3, 1972. The common shareholders will be asked to confirm his election at the Annual Meeting.

ANNUAL MEETING

The Annual Meeting of Shareholders has been called for 11:00 a.m. on Friday, March 23, 1973 in the Board Room of the Excelsior Life Insurance Company, 20 Toronto Street, Toronto. All shareholders are cordially invited to attend.

On behalf of the Board

A. BRUCE MATTHEWS, Chairman

Toronto, Canada.
February 19, 1973.

ECONOMIC INVESTMENT TRUST LIMITED

(Incorporated under the laws of Canada)

BALANCE SHEET

ASSETS

	<u>December 31</u>	
	<u>1972</u>	<u>1971</u>
Investments at market value (notes 1 and 3)		
(Cost – 1972 – \$20,099,984; 1971 – \$19,403,378)	\$34,178,441	\$26,846,969
Cash and short-term deposit receipts.....	923,401	376,157
Receivable for securities sold		100,000
Income taxes recoverable.....		2,656
	<u>\$35,101,842</u>	<u>\$27,325,782</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Due to brokers for securities purchased	\$ 212,978	\$ 62,711
Accounts payable and accrued charges	8,900	8,539
Income taxes payable (note 5)	95,063	
	<u>316,941</u>	<u>\$ 71,250</u>

Shareholders' equity:

Share capital –

Authorized:

 196,305 preferred shares of \$50 par value
 (exclusive of 3,695 shares redeemed)

 2,500,000 common shares of no par value

Issued:

96,305 5% cumulative preferred shares Series A, redeemable at \$52.50	4,815,250	4,815,250
1,032,940 common shares.....	4,116,691	4,116,691
Surplus –		
Contributed surplus.....	588,288	588,288
Earned surplus.....	872,559	752,984
Accumulated surplus on sale of investments	10,417,156	9,537,728
Unrealized appreciation of investments.....	14,078,457	7,443,591
	<u>34,888,401</u>	<u>27,254,532</u>

Deduct:

Refundable capital gains tax (note 5)	103,500	
	<u>\$34,784,901</u>	<u>\$27,254,532</u>
	<u>\$35,101,842</u>	<u>\$27,325,782</u>

On behalf of the Board:

A. BRUCE MATTHEWS Director

LAWRENCE W. SKEY Director

(See accompanying notes)

ECONOMIC INVESTMENT TRUST LIMITED

STATEMENTS OF REVENUE AND EXPENSES AND EARNED SURPLUS

	<u>Year ended December 31</u>	
	<u>1972</u>	<u>1971</u>
REVENUE AND EXPENSES		
Revenue received:		
Dividends from taxable Canadian corporations	\$ 828,445	\$ 789,648
Dividends from other corporations	39,850	42,344
Interest	39,774	38,360
	<u>908,069</u>	<u>870,352</u>
Expenses:		
Administrative expenses	30,419	28,959
Moving costs and other non-recurring expenses.....	6,242	
Directors' fees and salaries	21,684	20,083
Bank interest and charges	3,053	9,133
Transfer agent's and auditors' fees.....	7,276	8,970
Legal fees.....	405	400
Professional fees relating to tax reform.....		3,475
	<u>69,079</u>	<u>71,020</u>
Profit before income taxes	838,990	799,332
Income taxes (note 5).....	3,500	18,000
Net profit for year (per common share:		
1972 – \$0.58; 1971 – \$0.52).....	<u>\$ 835,490</u>	<u>\$ 781,332</u>
EARNED SURPLUS		
Balance at beginning of year	\$ 752,984	\$ 687,754
Add net profit for year.....	835,490	781,332
	<u>1,588,474</u>	<u>1,469,086</u>
Deduct:		
Dividends paid on –		
Preferred shares (\$2.50 per share)	240,763	240,950
Common shares (\$0.46 per share)	475,152	475,152
	<u>715,915</u>	<u>716,102</u>
Balance at end of year	<u>\$ 872,559</u>	<u>\$ 752,984</u>

Note: Included in earned surplus is capital surplus arising under Section 62 of the Canada Corporations Act amounting to \$156,041 in 1971 and 1972. During 1971 \$3,187 was transferred from earned surplus to this capital surplus to cover the cost of 100 preferred shares redeemed during that year.

(See accompanying notes)

ECONOMIC INVESTMENT TRUST LIMITED
STATEMENTS OF CONTRIBUTED SURPLUS,
ACCUMULATED SURPLUS ON SALE OF INVESTMENTS,
UNREALIZED APPRECIATION OF INVESTMENTS AND CHANGES IN NET ASSETS

	<u>Year ended December 31</u>	
	<u>1972</u>	<u>1971</u>
CONTRIBUTED SURPLUS		
Balance at beginning of year.....	\$ 588,288	\$ 586,475
Add excess of par value of preferred shares redeemed over repurchase price thereof.....		1,813
Balance at end of year.....	<u>\$ 588,288</u>	<u>\$ 588,288</u>
ACCUMULATED SURPLUS ON SALE OF INVESTMENTS		
Balance at beginning of year.....	\$ 9,537,728	\$ 8,880,691
Net surplus on securities sold (less non-refundable taxes thereon of \$6,500) (note 5)	879,428	657,037
Balance at end of year.....	<u>\$10,417,156</u>	<u>\$ 9,537,728</u>
UNREALIZED APPRECIATION OF INVESTMENTS		
Balance at beginning of year.....	\$ 7,443,591	\$ 5,273,730
Net increase for year.....	6,634,866	2,169,861
Balance at end of year.....	<u>\$14,078,457</u>	<u>\$ 7,443,591</u>
CHANGES IN NET ASSETS		
Net assets at beginning of year.....	<u>\$27,254,532</u>	<u>\$24,365,591</u>
Additions:		
Net surplus on securities sold (proceeds of sales — 1972 — \$5,062,220; 1971 — \$5,395,515)	885,928	657,037
Less taxes thereon (note 5).....	110,000	
	775,928	657,037
Net profit for year.....	835,490	781,332
Increase in unrealized appreciation of investments.....	6,634,866	2,169,861
	8,246,284	3,608,230
Deductions:		
Dividends paid — on preferred shares	240,763	240,950
— on common shares.....	475,152	475,152
Cost of 100 preferred shares redeemed		3,187
	715,915	719,289
Net increase for the year	7,530,369	2,888,941
Net assets at end of year.....	<u>\$34,784,901</u>	<u>\$27,254,532</u>

(See accompanying notes)

ECONOMIC INVESTMENT TRUST LIMITED

NOTES TO FINANCIAL STATEMENTS

December 31, 1972

1. The company's investments are stated at a market value in these financial statements to facilitate the computation of net asset value on a market value basis. In the accounts of the company, however, investments are stated at cost and not adjusted for fluctuations in market value.
2. Foreign currency amounts included in the financial statements have been stated in Canadian dollars as follows:
 - (a) Market value of investment securities, other assets and liabilities — at the closing rate of exchange in each year;
 - (b) Purchases and sales of investment securities, revenue and expenses — at the approximate rate of exchange prevailing when the transactions giving rise to such items occurred.
3. Bank loans of the company outstanding from time to time are secured by hypothecation of the company's investments.
4. During the year the company had seven directors and five officers, three of whom were also directors, including those who were elected or who retired during the year. The following aggregate remuneration was paid to the directors and officers during the year ended December 31, 1972; directors, as directors \$12,384; officers, as officers \$17,167.
5. Throughout the year ended December 31, 1972, the company qualified as an "investment corporation" under section 130 of the Income Tax Act. The investment income of an "investment corporation", other than dividends received from taxable Canadian corporations (which are not taxed in the company), is taxed at a reduced rate.
Taxes on net taxable capital gains realized after January 1, 1972 by the company are substantially refundable to it, as long as the company continues to qualify as an "investment corporation", on distribution of such gains to shareholders in the form of capital gains dividends. During the year ended December 31, 1972 the company realized approximately \$452,000 of net capital gains subject to tax. Of the taxes of \$110,000 on such gains a total of \$103,500 is refundable to the company, in the manner referred to above.
At December 31, 1972, there was approximately \$6,423,000 of net unrealized capital gains for tax purposes on securities held in the investment portfolio at that date.

AUDITORS' REPORT

To the Shareholders of
Economic Investment Trust Limited:

We have examined the balance sheet and investment portfolio of Economic Investment Trust Limited as at December 31, 1972 and the statements of revenue and expenses, earned surplus, contributed surplus, accumulated surplus on sale of investments, unrealized appreciation of investments and changes in net assets for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Securities owned at December 31, 1972 were verified by confirmation received directly from the custodian, or from brokers in respect of securities purchased but not received.

In our opinion these statements present fairly the financial position and investment portfolio of the company as at December 31, 1972 and the results of its operations and the changes in its net assets for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
January 16, 1973.

CLARKSON, GORDON & CO.
Chartered Accountants.

ECONOMIC INVESTMENT TRUST LIMITED
INVESTMENT PORTFOLIO AS AT DECEMBER 31, 1972

DEBENTURES (1.17% of net assets)

	Par value	Market value
Ashland Oil Canada Ltd. 5% Conv. Sub. Debentures due January 15, 1993	\$ 100,000	\$ 100,000
Home Oil Co. Ltd. 5½% Conv. Sub. Debentures due February 1, 1992	\$ 125,000	143,125
Pacific Petroleums Ltd. 5% Conv. Debentures due May 1, 1992	\$ 145,000	<u>164,575</u>
		<u>\$ 407,700</u>

PREFERRED SHARES (1.86% of net assets)

	Number of Shares	
Argus Corporation Ltd. Class "C" Participating	10,000	\$ 135,000
Fulcrum Investment Co. Ltd. 6% Cum. Pref. "A"	30,000	240,000
Schneider Ltd., J.M. "B" Pref.....	20,000	<u>270,000</u>
		<u>\$ 645,000</u>

COMMON AND CONVERTIBLE PREFERRED SHARES (95.23% of net assets)

BANKS AND TRUST COMPANIES (27.52% of net assets)

Bank of Nova Scotia	50,000	\$1,881,250
Canadian Imperial Bank of Commerce.....	50,000	1,537,500
Metropolitan Trust Co.	30,000	675,000
Royal Bank of Canada	8,400	311,850
Toronto-Dominion Bank	57,000	1,966,500
Victoria & Grey Trust Company	100,000	<u>3,200,000</u>
		<u>\$9,572,100</u>

DRUGS AND TOILETRIES (1.34% of net assets)

Tampax Inc.....	4,000	<u>\$ 467,650</u>
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ENTERTAINMENT AND RECREATION (0.42% of net assets)

Four Seasons Hotels Ltd. 6% 1st Pref. Cum. Red. Conv. A.	1,000	\$ 12,500
Standard Broadcasting Corp. Ltd.....	10,000	<u>135,000</u>
		<u>\$ 147,500</u>

FINANCIAL, INSURANCE AND FUNDS (13.09% of net assets)

Dale Ross Holdings Ltd.	47,000	\$ 399,500
E-L Financial Corp. Ltd. Conv. Pref.....	85,652	1,092,063
E-L Financial Corp. Ltd.....	46,525	558,300
Fulcrum Investment Co. Ltd.	45,000	270,000
General Products Mfg. Corp. Ltd. "A".....	10,000	140,000

COMMON AND CONVERTIBLE PREFERRED SHARES (Continued)

	Number of shares	Market value
London Life Insurance Co.	7,000	\$ 742,000
Noel Mutual Fund Ltd.	1,400	291,438
Paragon Properties Ltd.	30,000	82,500
Scudder North America Fund Ltd.	50,000	319,000
United Canadian Shares Ltd.	<u>48,660</u>	<u>656,910</u>
		<u>\$4,551,711</u>
FOOD, BEVERAGE AND TOBACCO (11.42% of net assets)		
Bright & Co. Ltd., T.G.	50,000	\$1,131,250
Crush International Limited	30,000	468,750
Distillers Corp. Seagrams Ltd.	30,000	1,290,000
Rothmans of Pall Mall Canada Conv. Cum. Red. 2nd Pref.	15,000	292,500
Walker-Goodeham & Worts Ltd., Hiram....	<u>15,000</u>	<u>791,250</u>
		<u>\$3,973,750</u>
GENERAL MANUFACTURING (2.75% of net assets)		
Avco Corporation	20,000	\$ 308,450
Boeing Company	3,000	74,625
Dominion Foundries & Steel Ltd.	<u>20,000</u>	<u>572,500</u>
		<u>\$ 955,575</u>
METALS AND MINING (11.49% of net assets)		
Cassiar Asbestos Corporation Ltd.	30,000	\$ 360,000
Dome Mines Ltd.	10,000	681,250
Hollinger Mines Ltd.	20,000	830,000
International Nickel Co. of Canada Ltd.	15,000	478,125
Kerr Addison Mines Limited	25,000	246,250
Noranda Mines Ltd.	15,000	624,375
Placer Development Ltd.	10,000	393,750
Pres, Steyn Gold Mining Co. Ltd.	35,000	326,550
Sullivan Mining Group Ltd.	<u>27,000</u>	<u>57,510</u>
		<u>\$3,997,810</u>
OIL, GAS AND PIPELINES (15.92% of net assets)		
Alberta Gas Trunk Line "A"	40,000	\$ 710,000
B.P. Canada Ltd.	40,000	755,000
Dome Petroleum Ltd.	15,000	648,750
Gulf Oil Canada Ltd.	5,000	199,375
Home Oil Company Limited "A"	15,000	603,750
Interprovincial Pipe Line Co.	25,000	725,000
Shell Canada Ltd. A	10,000	602,500
Texaco Canada Ltd.	10,000	590,000
Texas Gulf Inc.	15,000	253,725
TransCanada PipeLines Limited \$2.65 Cum. Red. Conv. 2nd Pref. A	5,000	272,500
Westcoast Petroleum Ltd. 'A'	<u>6,000</u>	<u>177,000</u>
		<u>\$5,537,600</u>

COMMON AND CONVERTIBLE PREFERRED SHARES (Continued)

	<u>Number of shares</u>	<u>Market value</u>
PRINTING AND PUBLISHING (5.68% of net assets)		
Moore Corporation Ltd.	30,000	\$ 1,575,000
Thomson Newspapers Ltd.	30,000	401,250
		<u>\$1,976,250</u>
PUBLIC UTILITIES (3.76% of net assets)		
Bell Canada \$3.20 Conv. Pref.	6,000	\$ 297,000
Bell Canada	10,000	445,000
British Columbia Telephone Company	10,000	565,000
		<u>\$1,307,000</u>
TRANSPORTATION (1.80% of net assets)		
Algoma Central Railway	40,000	\$ 520,000
Laidlaw Motorways Ltd.	5,900	105,463
		<u>\$ 625,463</u>
MISCELLANEOUS (0.04% of net assets)		
Sundry securities		<u>\$ 13,332</u>
TOTAL COMMON AND CONVERTIBLE PREFERRED SHARES		<u>\$33,125,741</u>
TOTAL INVESTMENT PORTFOLIO		<u>\$34,178,441</u>

SUMMARY

	<u>Market Value</u>	<u>% of net assets</u>
Debentures	\$ 407,700	1.17%
Preferred shares	645,000	1.86
Common and convertible preferred shares	33,125,741	95.23
Cash and cash items (net)	606,460	1.74
TOTAL NET ASSETS	<u>\$34,784,901</u>	<u>100.0%</u>

(See accompanying notes)

ECONOMIC INVESTMENT TRUST LIMITED

Financial Record—1928–1972

Year Ending March 31	Gross Income	Bond and Debenture Interest	Expenses Amount	% of Net Assets	Income Taxes	Net Income	Total Net Assets	Funded Debt and Preferred Shares	Available for Common Shares	Common Shares Outstanding*	Asset Value per Common Share *
1928	\$106,907	\$20,742	\$24,968	1.390	\$ 1,361	\$59,836	\$ 1,794,643	\$1,000,000	\$ 794,643	\$ 403,125	\$ 1.97
1933	98,327	48,664	12,562	1.080	.563	36,538	1,161,715	962,500	199,215	499,062	0.40
1938	157,194	48,216	16,507	.813	3,090	89,381	2,028,005	1,000,000	1,028,005	499,062	2.06
1943	156,515	50,000	15,884	.610	11,079	79,552	2,604,866	1,000,000	1,604,866	499,062	3.22
1948	157,877	30,000	17,823	.506	—	110,054	3,522,969	1,000,000	2,522,969	500,000	5.05
Year Ending Dec. 31		Bond, Bank and Debenture Interest									
1953	276,684	37,635	29,647	.570	19,500	189,902	5,197,984	1,250,000	3,947,984	625,000	6.32
1961	489,840	85,867	35,713	.235	20,000	348,260	15,222,286	2,509,500	12,712,786	969,855	13.09
1962	548,028	67,285	40,016	.251	13,000	427,727	15,959,654	4,100,000	11,859,654	1,032,940	11.48
1963	614,170	61,743	43,037	.244	14,000	495,390	17,633,299	4,100,000	13,533,299	1,032,940	13.10
1964	678,595	5,464	45,973	.219	11,000	616,158	20,955,088	5,250,000	15,705,088	1,032,940	15.20
1965	762,143	3,749	46,506	.212	8,000	703,888	21,897,735	5,250,000	16,647,735	1,032,940	16.12
1966	800,963	1,105	49,136	.251	13,500	737,222	19,613,106	5,250,000	14,363,106	1,032,940	13.91
1967	858,076	3,331	46,973	.204	19,000	788,772	23,076,097	5,128,462	17,947,635	1,032,940	17.38
1968	805,538	2,494	51,221	.187	19,000	732,823	27,392,675	5,061,263	22,331,412	1,032,940	21.62
1969	845,570	1,693	54,583	.210	30,000	759,294	25,942,615	5,061,263	20,881,352	1,032,940	20.22
1970	884,250	681	57,397	.236	28,000	798,172	24,365,591	5,061,263	19,304,328	1,032,940	18.69
1971	870,352	8,346	62,674	.230	18,000	781,332	27,254,532	5,056,013	22,198,519	1,032,940	21.49
1972	908,069	1,066	68,013	.196	3,500	835,490	34,784,901	5,056,013	29,832,388	1,032,940	28.88

† Preferred Shares at redemption price of \$52.50 per share.

* Adjusted for 5-for-2 split in 1951 and 5-for-1 split in 1963.

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ECONOMIC INVESTMENT TRUST
LIMITED
Toronto 1, Canada

Report for the Six Months
Ended June 30, 1972
(unaudited)

Corp report

ECONOMIC INVESTMENT TRUST LIMITED

CONDENSED COMPARATIVE STATEMENT OF PROFIT AND LOSS
For the Six months Ended June 30

	1972	1971
Profit before income taxes	\$ 390,633	\$ 416,100
Provision for income taxes	5,200	12,000
Net profit for the period	<u>\$ 385,433</u>	<u>\$ 404,100</u>
Per preferred share	\$4.00	\$4.19
Per common share	0.26	0.27

COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS
For the Six months Ended June 30

	1972	1971
Net assets at beginning of period	<u>\$27,254,532</u>	<u>\$24,365,591</u>
Additions:		
Increase in unrealized appreciation of investments	3,805,166	1,016,006
Net surplus on investments sold	639,439	331,433
Net profit for period	<u>385,433</u>	<u>404,100</u>
	4,830,038	1,751,539
Deductions:		
Dividends paid —		
On preferred shares	120,381	120,506
On common shares	<u>206,588</u>	<u>206,588</u>
	326,969	327,094
Net increase for period	<u>4,503,069</u>	<u>1,424,445</u>
Net assets at end of period	<u>\$31,757,601</u>	<u>\$25,790,036</u>
Net asset value per share —		
Preferred	\$330.00	\$268.00
Common	25.85	20.07

July 12, 1972

A. Bruce Matthews,
Chairman

ECONOMIC INVESTMENT TRUST LIMITED**Notice of Annual General Meeting of Shareholders**

NOTICE is hereby given that the Annual General Meeting of Shareholders of Economic Investment Trust Limited (the "Company") will be held in the Toronto Room of The Excelsior Life Insurance Company, 20 Toronto Street, Toronto, Canada, on Friday, March 3, 1972, at 11:00 a.m. (Toronto time):

- (a) to receive the annual report of the Company for the year ended December 31, 1971;
- (b) to elect three directors for the ensuing two years;
- (c) to appoint auditors for the ensuing year and to authorize the directors to fix the remuneration of the auditors; and
- (d) to transact such other business as may properly come before the meeting.

Proxies are being solicited by the management of the Company. Common shareholders of the Company are entitled to vote at the meeting either in person or by proxy. If you are unable to be present at the meeting, please sign the attached form of proxy and return it in the addressed envelope provided for the purpose.

By Order of the Board of Directors.

R.W. INGLIS, C.A.,
Secretary.

Toronto, Canada
February 16, 1972.

ECONOMIC INVESTMENT TRUST LIMITED

INFORMATION CIRCULAR

Solicitation of Proxies

The enclosed proxy is solicited by the management of Economic Investment Trust Limited for use at the Annual General Meeting of Shareholders to be held on Friday, March 3, 1972.

The cost of solicitation will be borne by the Company. The management does not contemplate a solicitation of proxies otherwise than through use of the mail.

Provisions Relating to Proxies

All instruments appointing proxies to be used at the meeting must be deposited with Canada Permanent Trust Company at Toronto prior to 11:00 a.m. (Toronto time) on Wednesday, March 1, 1972. Proxies so deposited will be voted at the meeting and, if a choice is specified in respect of any matter to be acted upon, will be voted in accordance with the direction given. In the absence of such direction, such proxies will be voted for the election of directors and for the appointment of auditors as indicated under those headings in this circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the notice of meeting and with respect to other matters which may properly come before the meeting. At the date of this circular, the management of the Company knows of no such amendments, variations or other matters.

The persons named in the enclosed proxy are directors or officers of the Company. A shareholder desiring to appoint some other person to represent him at the meeting may do so either by inserting such other person's name in the blank space provided in the enclosed proxy and deleting the names printed thereon or by completing another form of proxy.

Any shareholder giving a proxy may revoke the proxy by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the chairman of the meeting on the day of the meeting, or adjournment thereof.

Voting Shares

The Company has outstanding 1,032,940 common shares of no par value, each entitled to one vote. To the knowledge of the directors and senior officers of the Company, the only persons or corporations beneficially owning, directly or indirectly, more than 10% of the outstanding common shares of the Company are The Empire Life Insurance Company which owns 186,335 or 18.04% of the outstanding common shares, and Dominion and Anglo Investment Corporation which owns 129,030 or 12.49% of the outstanding common shares.

The only persons entitled to attend and vote at the meeting will be registered common shareholders of record at the date of the meeting or their duly appointed proxies.

Election of Directors

The Company has a board of six directors of whom three directors are elected annually for a two year term. Messrs. A. Bruce Matthews, C.B.E., D.S.O. and Henry N.R. Jackman were elected to office at the Annual General Meeting of Shareholders held March 5, 1971 and will remain in office until the Annual General Meeting to be held in 1973 or until their successors are elected. Mr. Robert W. Inglis was also elected a director on March 5, 1971 but resigned on April 6, 1971.

In the absence of instructions to the contrary, proxies in the accompanying form will be voted in favour of the election of the three nominees named below (or for substitute nominees in the event of contingencies not known at present) who will serve as directors of the Company for a two year term or until their successors are elected and qualified.

<u>Name</u>	<u>Principal Occupation (1)</u>	<u>Became a Director</u>	<u>Shares of the Company beneficially owned as of February 16, 1972 (2)</u>
Frederick W.P. Jones	Professor, School of Business Administration, University of Western Ontario	1962	1,342 Common
Lawrence W. Skey, D.F.C.	Managing Director of the Company and a Director and Treasurer of Scudder International Investments Ltd.	1955	11,725 Common (3)
A. George Dragone	Investment Management	1972	100 Common

- (1) Each nominee has had the same employment for more than five years either in the position indicated or in other positions with the same organization.
- (2) Based on information furnished to the Company by the nominees.
- (3) 6,725 shares are owned by the L.W. Skey Family Trust of which Mr. Skey and Mr. H.N.R. Jackman are trustees.

Remuneration of Directors and Senior Officers

The aggregate direct remuneration paid or payable by the Company during the year ended December 31, 1971, to the directors of the Company as such was \$10,783 and to an officer of the Company, who is also a director, was \$9,300.

No pension benefits are proposed to be paid to the directors of the Company, as such. The estimated aggregate cost to the Company in the fiscal year ended December 31, 1971 of all pension benefits proposed to be paid, directly or indirectly, to the officers of the Company in the event of retirement at normal retirement age, was \$2,385.

Appointment of Auditors

The firm of Clarkson, Gordon & Co. has been regularly appointed as auditors of the Company for many years. The management of the Company is informed that no member of this firm has any interest, financial or otherwise, direct or indirect, in the Company. Unless otherwise instructed proxies which are received pursuant to this solicitation will be voted for the appointment of Clarkson, Gordon & Co. as auditors of the Company.

Other Business

The management does not know of any other matters that may come before the meeting. However, if any other matters properly come before the meeting it is the intention that the persons named in the enclosed form of proxy will vote the proxy in accordance with their judgment on such matters.

By Order of the Board of Directors

**R.W. INGLIS, C.A.,
Secretary.**

Toronto, Canada
February 16, 1972.

